

intense. This may be judged from the fact that the aggregate loans by discounts and advances on stocks by the Bank of England were £12,645,000 from November 12th to December 1st.¹ Greater caution was shown than on former occasions in reducing the discount rate, and it was maintained as high as five per cent, in 1858 until the bullion had returned to £15,000,000.^a

France and other countries of the Continent suffered in the crisis of 1857, though less acutely than England and America, because of the smaller scope of their commercial affairs. The establishment of the Second Empire in France gave an assurance of security to the mercantile classes, which was shaken for only a moment at the outbreak of the Crimean War. Business resumed its activity when it appeared that the operations of the war would be confined substantially to the East and the discounts of the Bank of France rose from the maximum of 154,000,000 francs (\$29,000,000) in 1851 to 628,000,000 francs (\$121,000,000) in 1857. The bank found it necessary to raise the discount rate to six per cent, in the autumn of 1856 and found its specie reserve at Paris reduced in January, 1857, to 72,000,000 francs (\$14,000,000). One of the surprising features of the panic of 1857 was the disappearance of gold from circulation in spite of the enormous production of the preceding ten years. The Bank of France was continually in the market as a purchaser of bullion and expended 14,000,000 francs in 1855, \$5[^]» and 1857 in premiums on 1,274,508,519 francs (\$250,000,000) in gold bullion.³

, 404.

² MacLeod, *Theory and Practice of Banking* II., 190.

³ Juglar, 422. This disappearance of gold from sight, when the quantity in the world available for monetary uses had probably increased more than fifty per cent, in ten years, throws an interesting light on the suggestion of Mr. Forssell, the Swedish delegate to the international monetary conference of 1892, that an attempt to create a monetary union wide enough to prevent exports of the metal under-valued in the coinage laws would be followed by its disappearance within the union.—Conference Monétaire Internationale, Proems Verbaux, 246,